

# Advanced Network & IT Platform

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## < Network

- ◆ Utilizing Broadband Hybrid Fiber Coax (HFC) Architecture

## < IT Platform

- ◆ Fully Integrated Customer Care & Billing System
- ◆ One Platform Across Entire Company
- ◆ Manages All Customer Interactions
- ◆ Automated Routing of Technicians / Installers

**Superior Technology and Reliability**

# Our Core Strengths

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- < **Well Clustered and Regionally Concentrated Systems**
- < **Advanced Broadband Network & IT Platform**
- < **Superior Customer Service Record**

# Superior Customer Service

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- < **Proven Track Record of Customer Service Commitment**

- ◆ **Offensive & Defensive Strategy**

- < **Positive Local Brand Name & Presence**

- < **State-of-the-Art Call Center**

- ◆ **Intelligent Routing (Skill / Product / CSR Specific)**
- ◆ **CSR Is in Full Internet Environment**

- < **Customer Web Access to Account**

**Greater Customer Service Flexibility**

# Our Core Strengths

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- < Well Clustered and Regionally Concentrated Systems
- < Advanced Broadband Network & IT Platform
- < Superior Customer Service Record
- < Commitment to Our People

# Employee Development

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- < **150 Trainers Locally Based**
  - ◆ **120:1 Employee/Trainer Ratio**
- < **3% of Total Payroll Expense Dedicated to Training**
  - ◆ **81 Cents of Every Training Dollar to Frontline Employees**
  - ◆ **80 Hours Per Employee Per Year**
- < **Intranet Based Training Curriculum**
  - ◆ **200+ Courses (Product Info/Technical/Desktop Applications)**

**Continued Commitment to Our People**

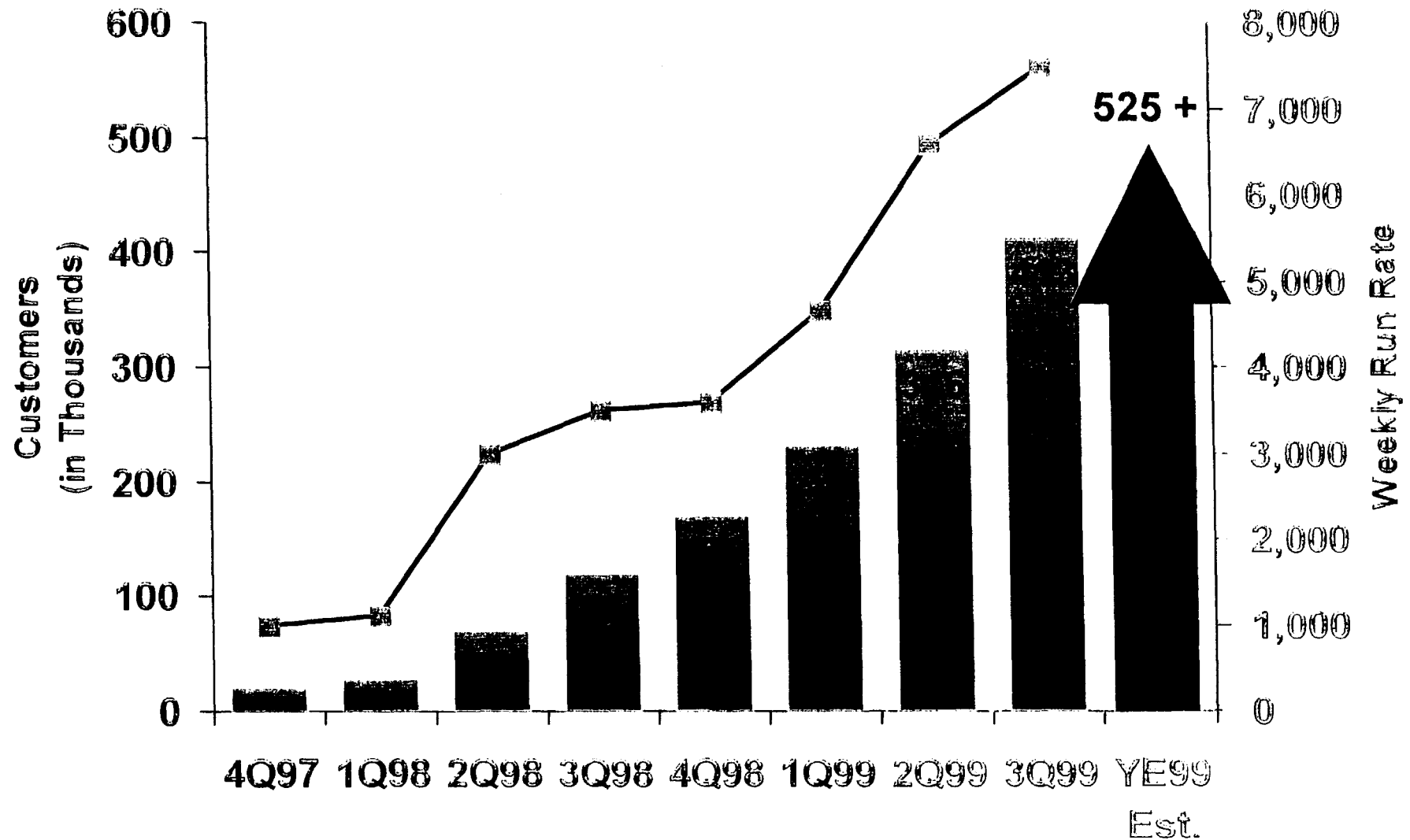
# Our Core Strengths

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- < Well Clustered and Regionally Concentrated Systems
- < Advanced Broadband Network & IT Platform
- < Superior Customer Service Record
- < Commitment to Our People
- < Industry Leader In Providing Integrated Video, Voice & Data Services

# New Services RGUs





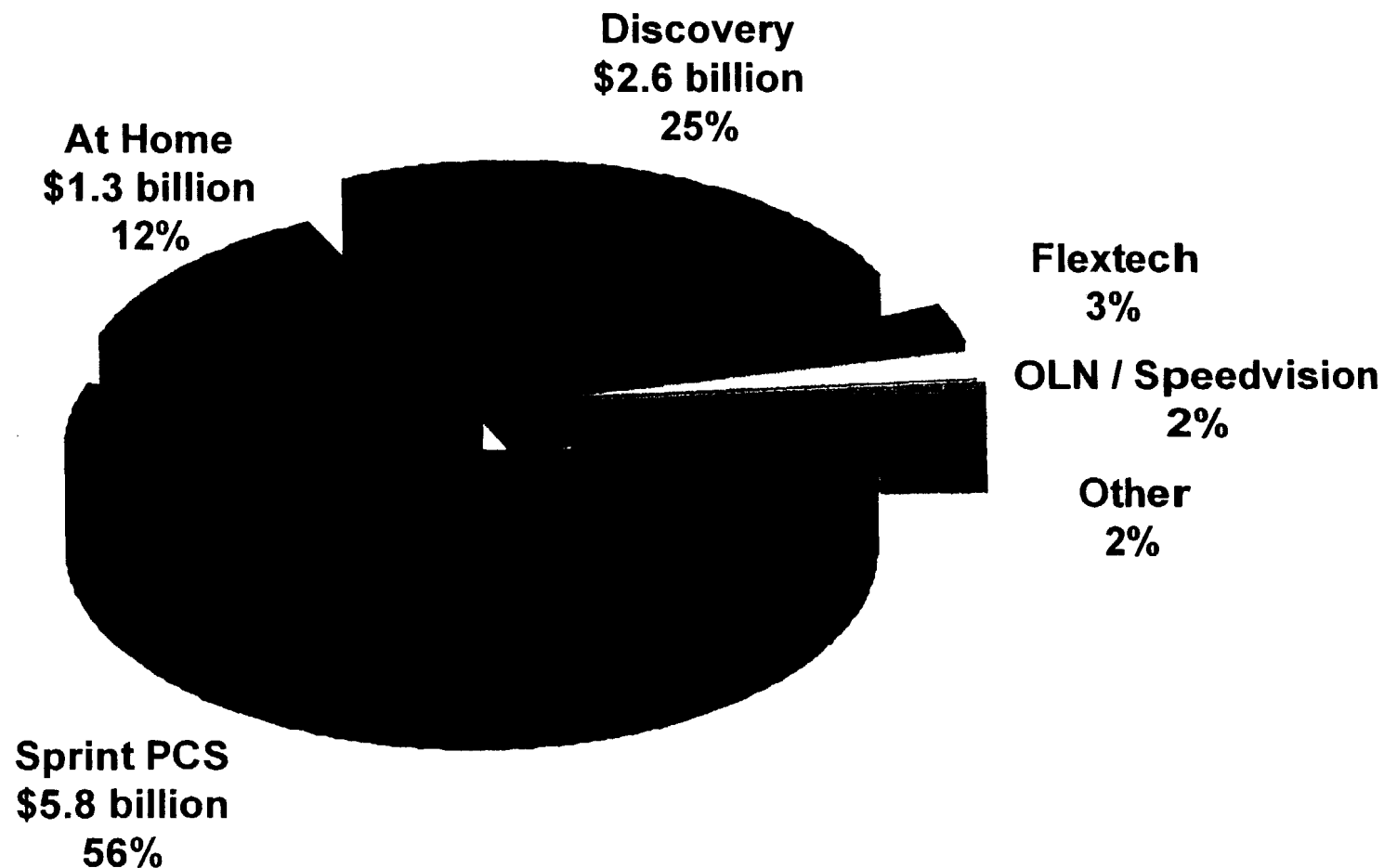
## **Our Core Strengths**

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- < **Well Clustered and Regionally Concentrated Systems**
- < **Advanced Broadband Network & IT Platform**
- < **Commitment to Our People**
- < **Superior Customer Service Record**
- < **Industry Leader In Providing Integrated Video, Voice & Data Services**
- < **Financial Strength and Flexibility**

# Financial Strength & Flexibility

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# Our Core Strengths

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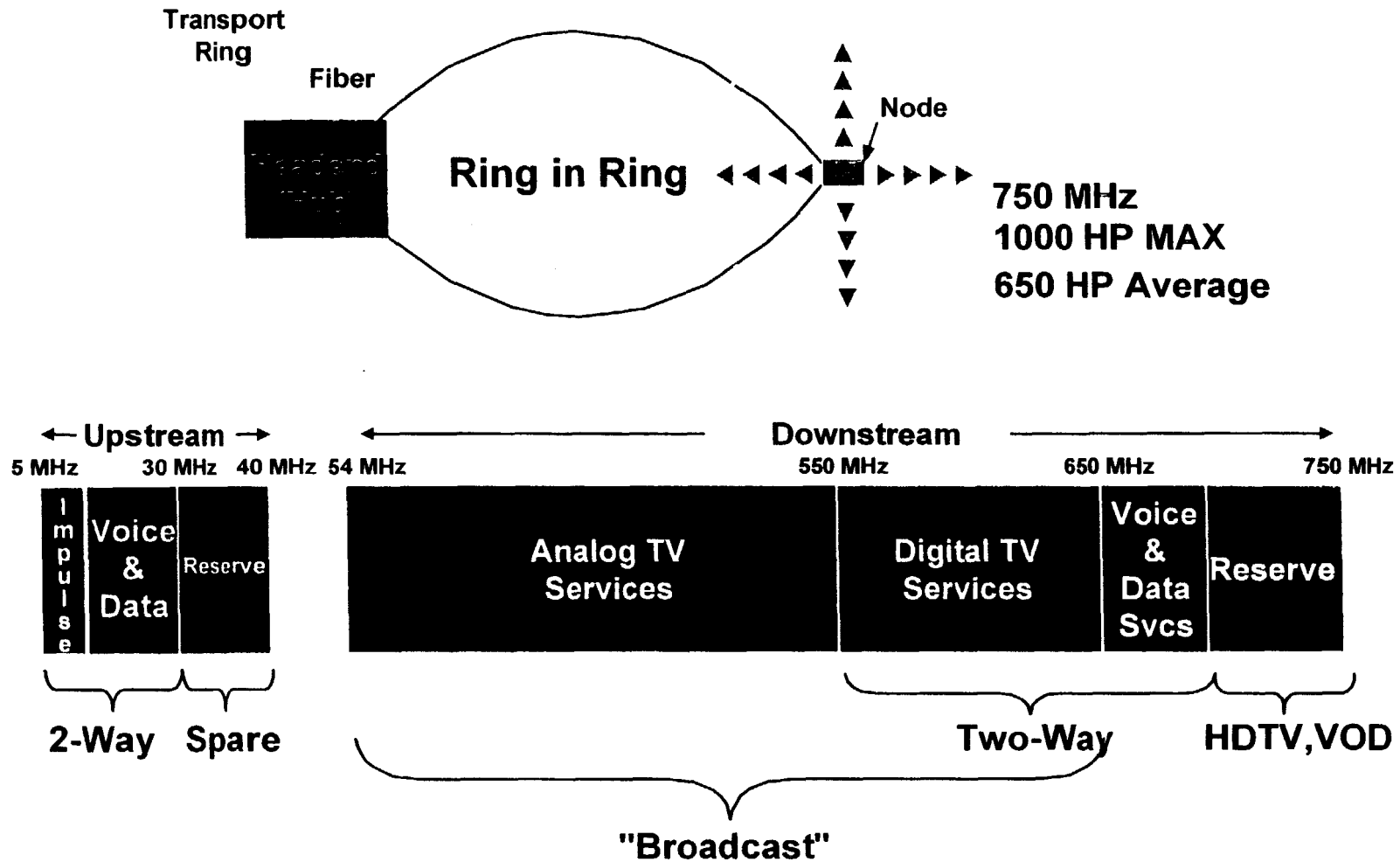
**Cox Leads The Industry in Operational Excellence**

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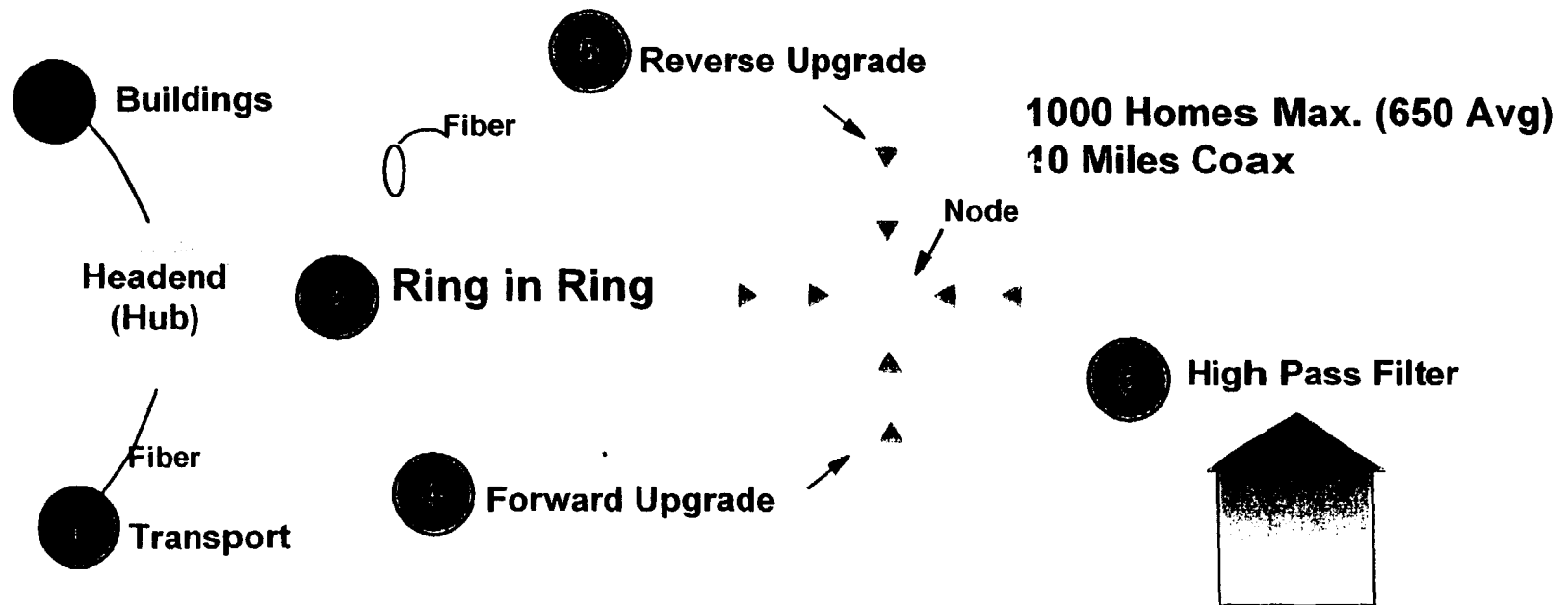
# **The Winning Network**

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# From a Network Perspective..



# Capital Requirements for an Interactive 750 MHz Infrastructure Upgrade



1. Transport	\$4/HP
2. Buildings	\$16/HP
3. Ring in Ring	\$50/HP
4. Forward Upgrade	\$130/HP
5. Reverse Upgrade	\$15/HP
6. Filters	\$5/HP
Total	\$220/HP

***\$220/Home Passed Prepares the  
Network for Video, Voice & Data  
Services***

***"750MHz and 2-Way Active"***

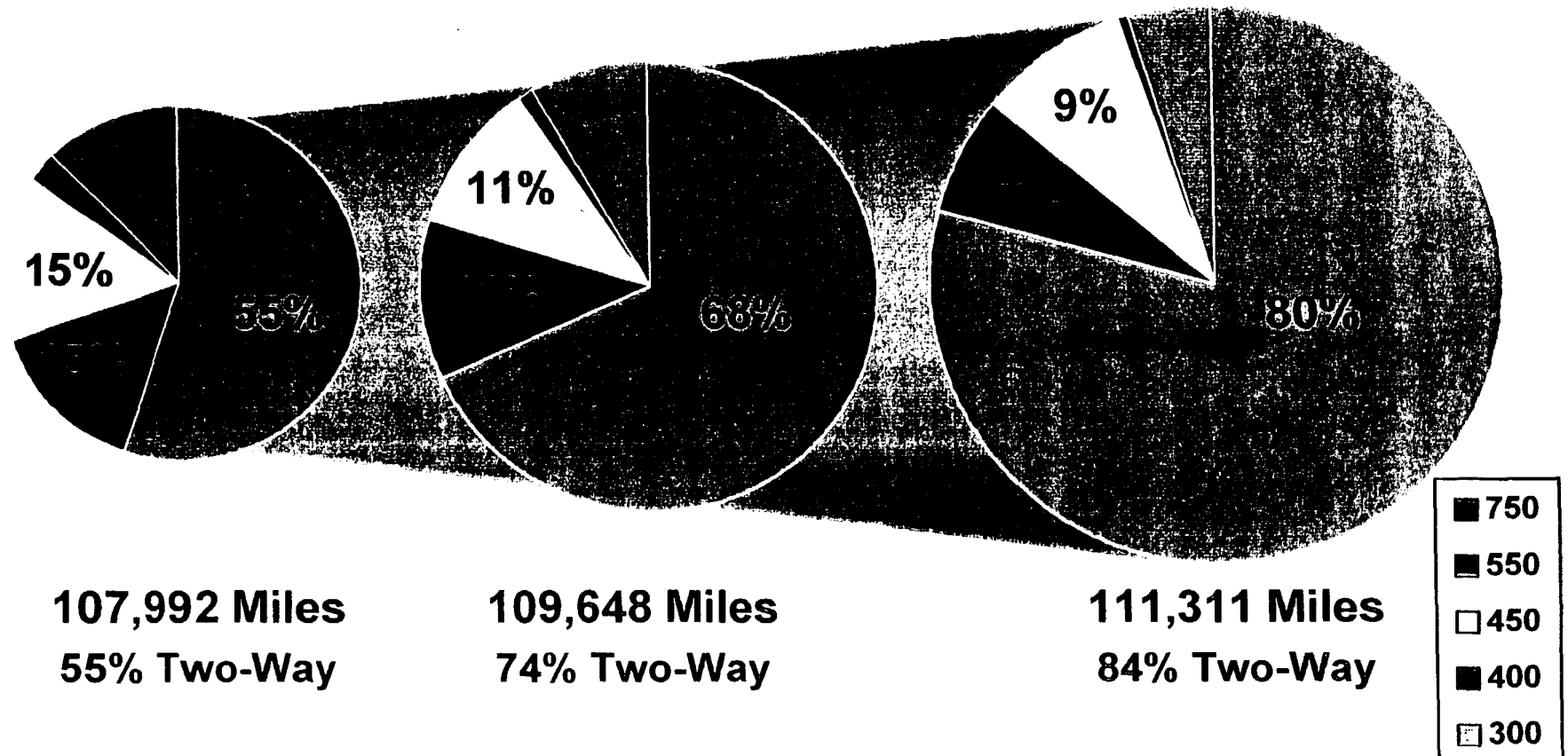
# The "Pipe Gets Bigger"



1999 End of Year

2000 End of Year

2001 End of Year



All systems - includes TCA, Media General AT&T and Gannett

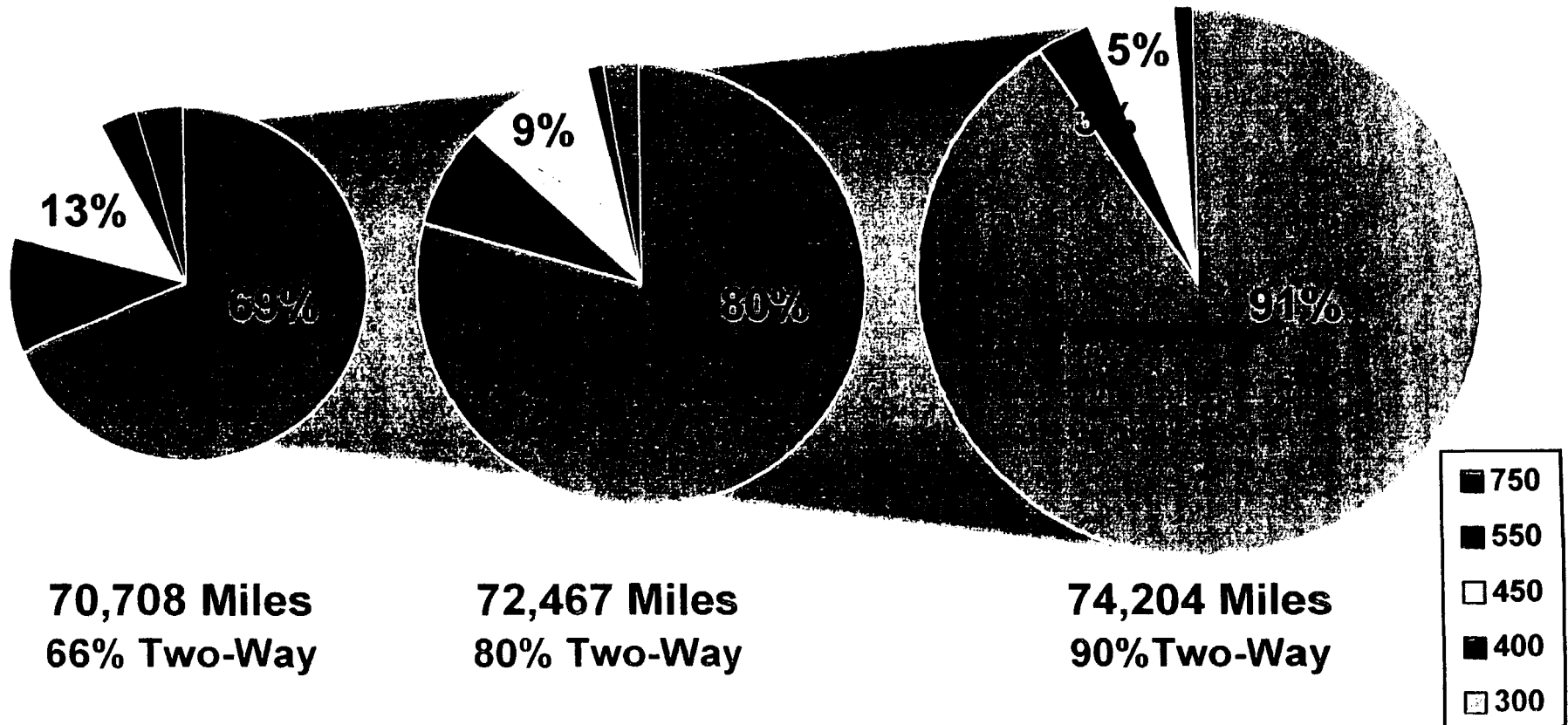
# The "Pipe Gets Bigger"

COX

1999 End of Year

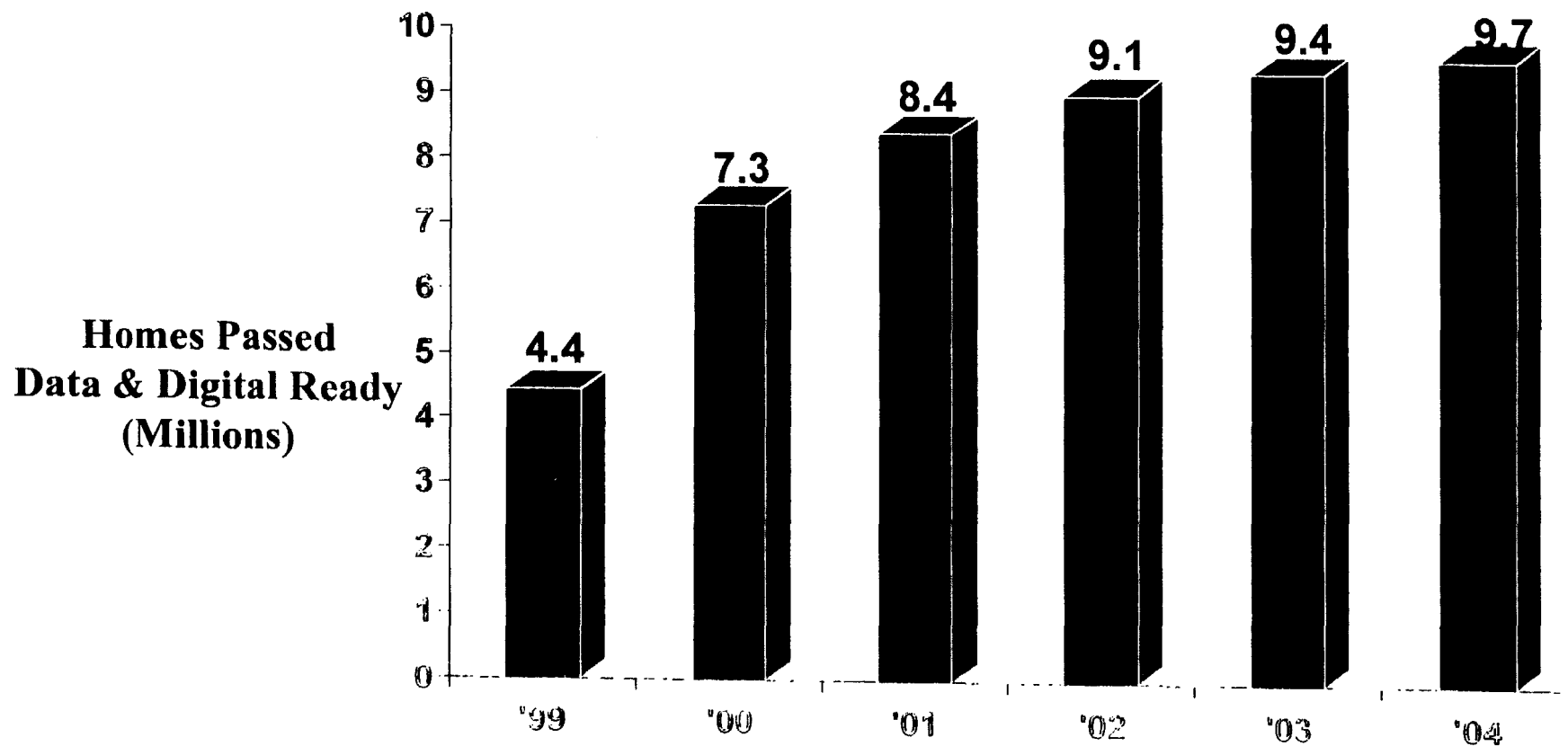
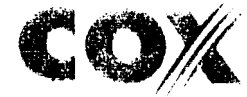
2000 End of Year

2001 End of Year



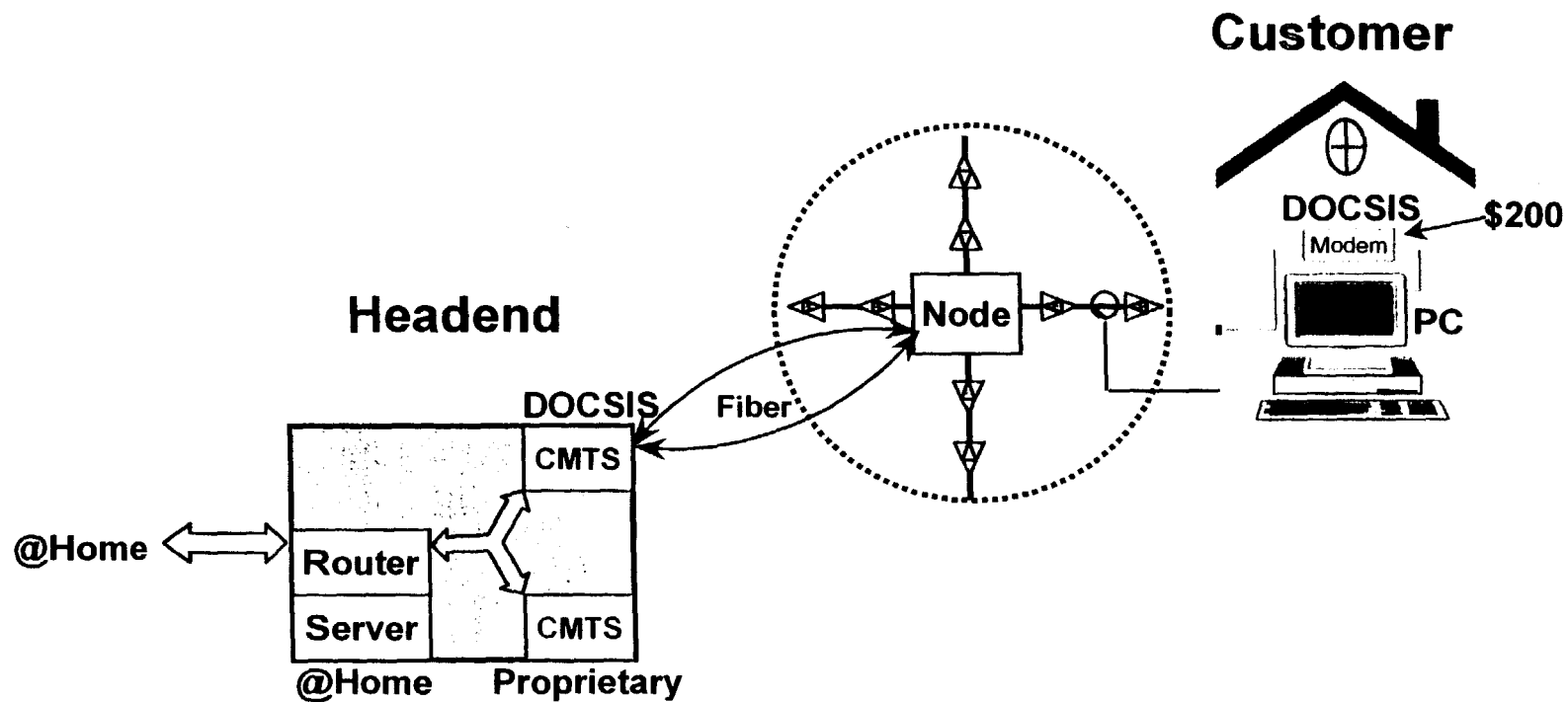
The 15 Largest Cluster Markets - 70%+ of Customers

## On the Data & Digital Side

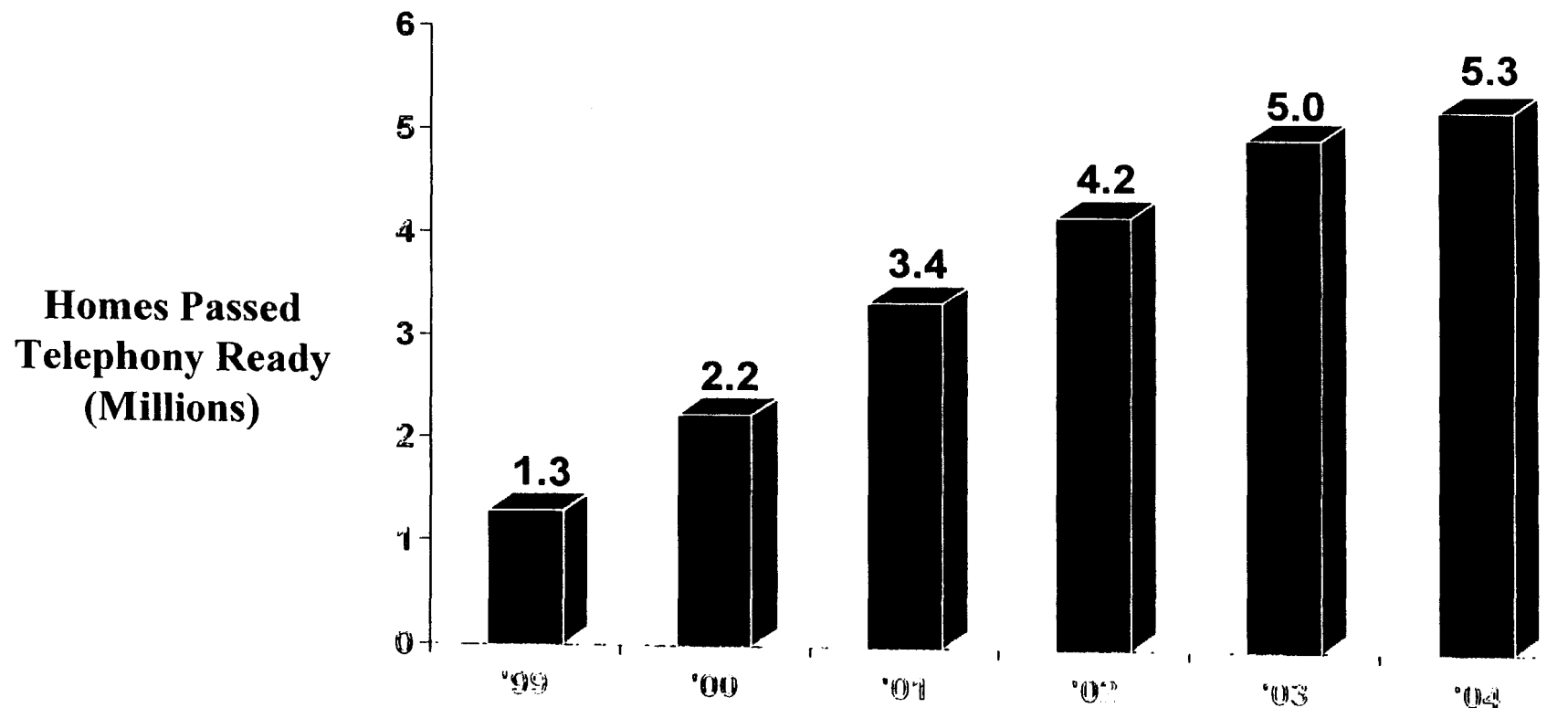


*Over 95% of HP will be Data & Digital Ready by 2004*

# Cox@ Home Service

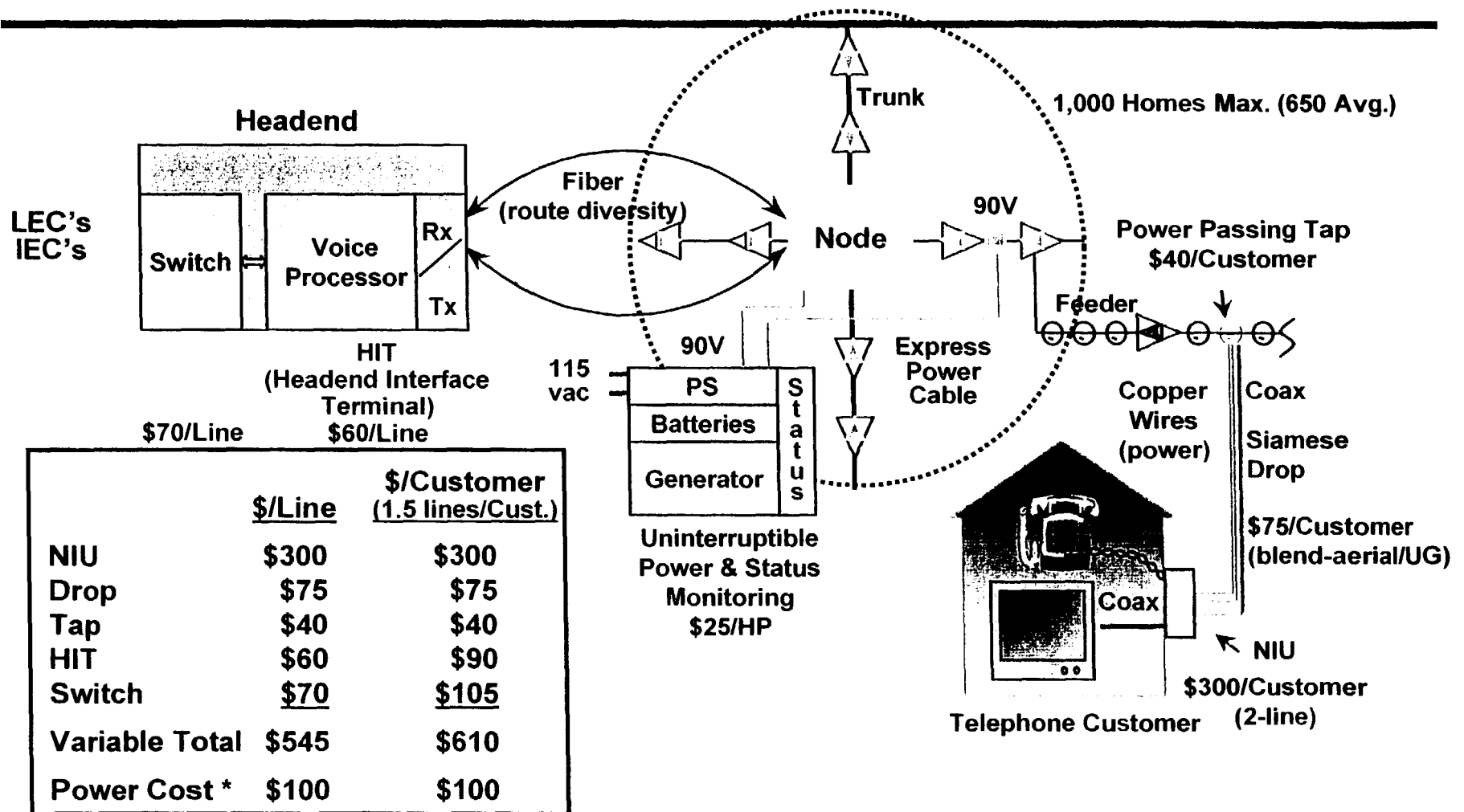


# On the Telephony Side



*Over 50% of HP will be Telephony Ready by 2004*

# Cox Digital Telephone Service



*\*Assumes 25% telephony penetration of homes passed*

## Capital Requirements per Telephone Line/Customer

# Network Reliability

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- Route Diverse Fiber
- Uninterruptable Power
- Status Monitoring
- Network Operations Center
- NEBS Compliant Headends/Hubs

**Reliability -- Equal or Better than the Competition**

# Network Standards

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- Best Practices
- Methods and Procedures
- Materials Evaluation Committee
- Design and Engineering
- DOCSIS
- C/N, XTB, etc.
- Headends / Hubs
- Service Calls / Network Readiness
- Architecture / Bandwidth
- Network Availability

**A Key to Ensuring Operational Excellence**

# Network Flexibility/Capacity Tools for the Future....

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- < **More Efficient Modulation Schemes**
  - ◆ 64 QAM to 256 QAM
- < **Statistical Multiplexing**
- < **Convert Analog Channels to Digital Tier**
- < **Node Splitting**

**750 MHz HFC is a Very Flexible and Robust Architecture**

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# Leveraging the Broadband Pipe

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# Substantial Opportunities For Value Creation



## < *Residential Broadband Services*

- ◆ *Cox Core Cable*
- ◆ *Cox Digital TV*
- ◆ *Cox Digital Telephone*
- ◆ *Cox@Home*

## *Future Services:*

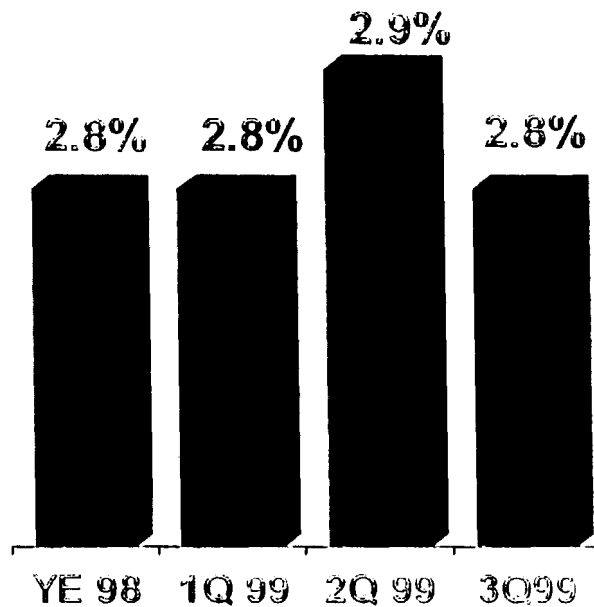
- ◆ *e-Commerce*
- ◆ *Internet to TV*
- ◆ *Video on Demand*
- ◆ *Targeted Advertising*
- ◆ *Energy Management*
- ◆ *Home Security Monitoring*

## < *Commercial Broadband Services*

- ◆ *Private Line & CLEC*
- ◆ *ITC Services to Small and Medium-Sized Businesses*

**Leverage the Power of Broadband Network**

# Industry Leader in Basic Customer Growth



*Basic Customer Growth*

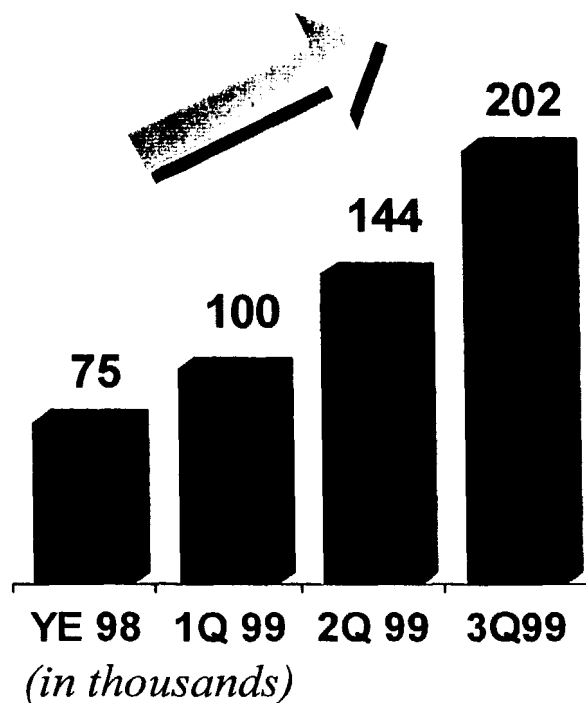
- < Customer growth remains strong
- < Excellent customer service record
- < Strong growth markets
- < New Services impact:
  - ◆ Bundling benefits
  - ◆ Churn reduction
  - ◆ Solidify customer relationship

# New Customers Are Significantly Contributing to Cox's Growth



## COX Digital TV™

4Q99: 265



- < \$15-18 Digital revenue per sub
  - ◆ Includes PPV and Premium Upgrade
- < Weekly run rate = 4,300
- < Competitive with DBS product
- < Over 8% penetration in systems that have been launched for at least 1 year
  - ◆ 13% penetration in Orange County
  - ◆ 7% penetration in Omaha

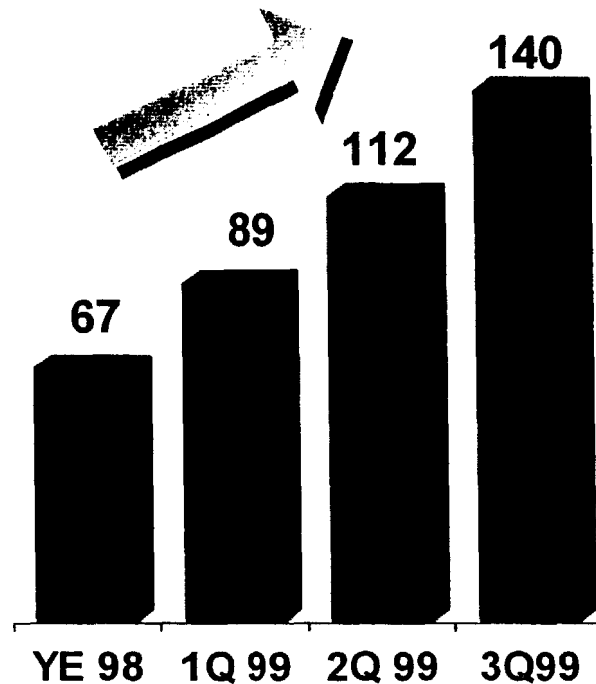
# New Customers Are Significantly Contributing to Cox's Growth



**COX @Home**<sup>TM</sup>

*The High Speed Internet Service*

4Q99 : 187



*(in thousands)*

- < Data revenue per sub = \$40-45
- < Weekly run rate = 2,600
- < Deployment of DOCSIS modems began in August
- < Results from markets launched at least 1 year:
  - ◆ 5-12% penetration of data ready homes
  - ◆ 15-20% penetration of online homes

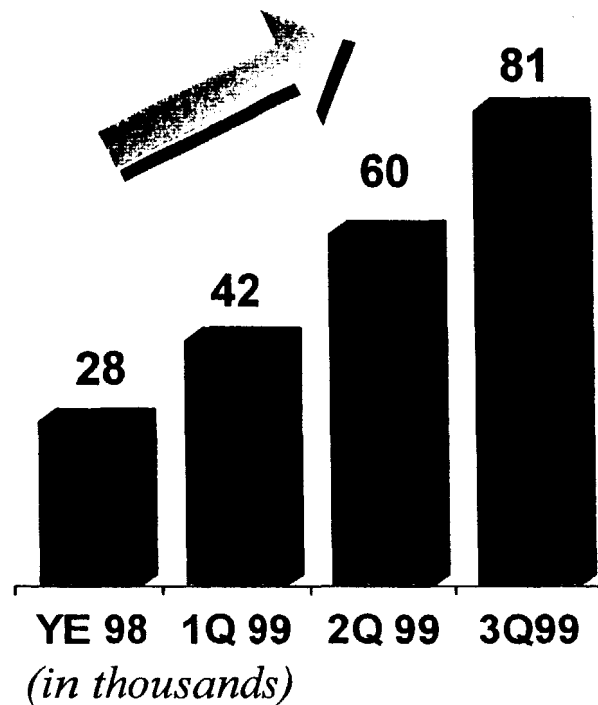
# New Customers Are Significantly Contributing to Cox's Growth

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## Digital Telephone

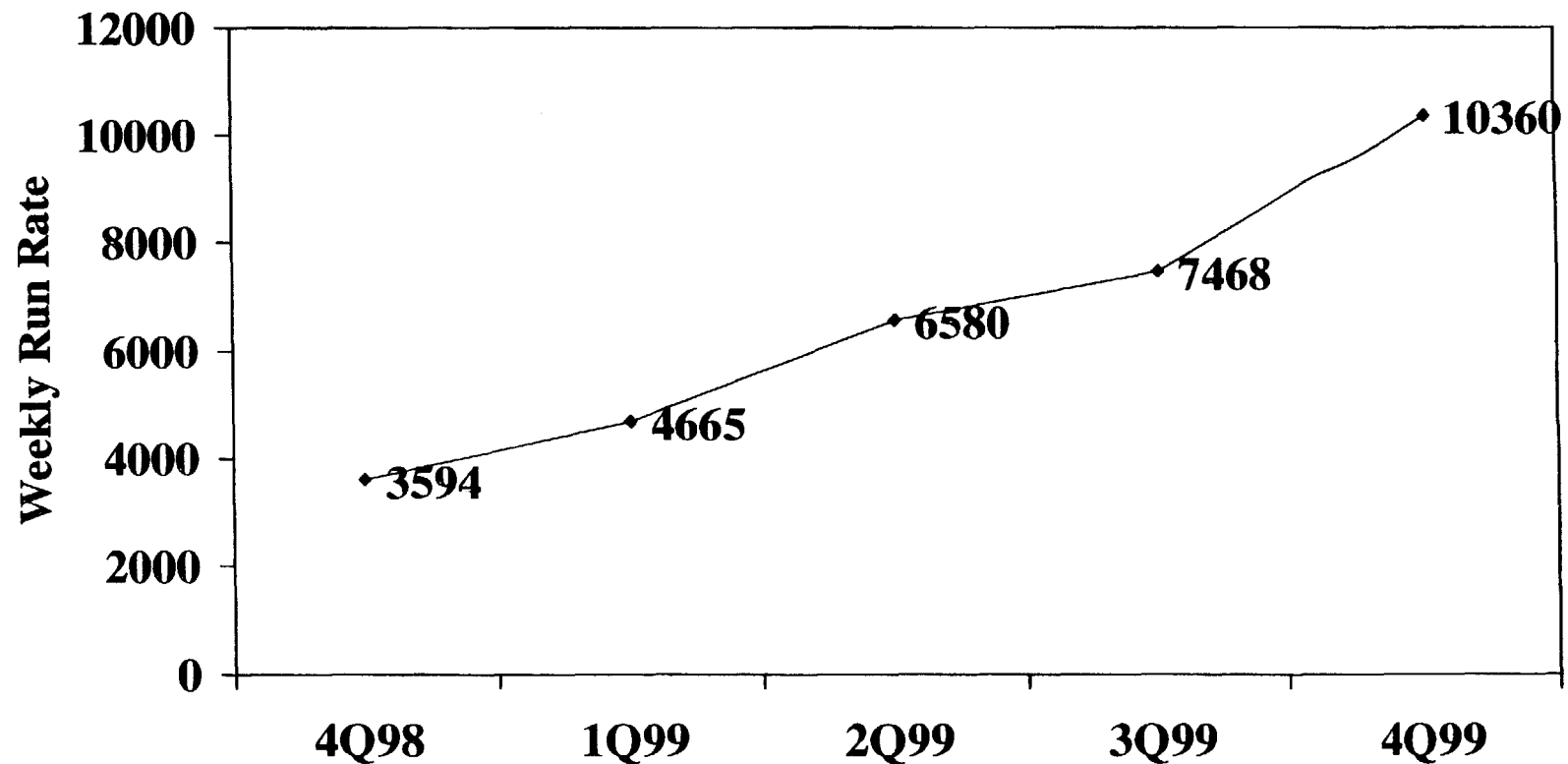
4 Q 99: 102



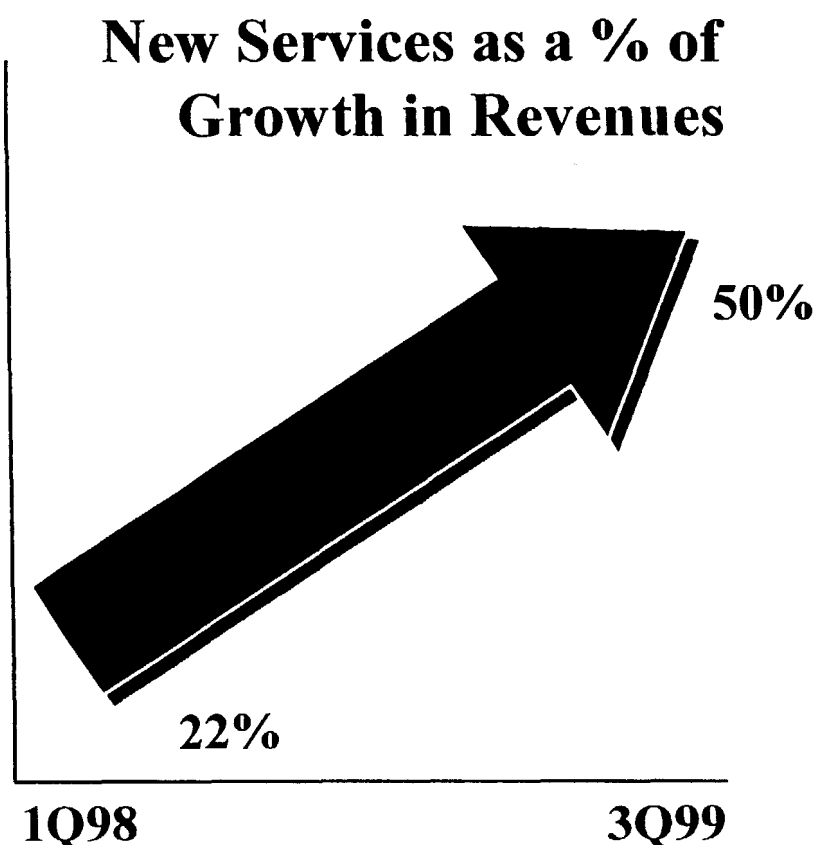
- < Residential telephony revenue per sub \$55-\$60
- < Weekly run rate = 1,700
- < 1.5 Lines/sub and 75% penetration of Cox LD
- < 13% Telephony penetration of marketed homes, 30%+ in some nodes

# New Weekly Services-RGUs

## Weekly Run Rate



# New Service Growth is Driving the Acceleration of Revenue Growth



- < Excellent same-store growth in core cable customers is driving core cable growth
- < New services are beginning to contribute and revenue growth is accelerating
- < OCF growth should follow as new businesses continue to strengthen